

CAMPAIGN SPENDING COMMISSION

STATE OF HAWAII

|                                      |   |          |
|--------------------------------------|---|----------|
| In Re the Matter of                  | ) | CA 05-01 |
|                                      | ) |          |
| PAREN, INC. and Larry Matsuo, Melvin | ) |          |
| Suzuki, Joy Sakamoto, George Sumida  | ) |          |
| and Keith Uemura,                    | ) |          |
|                                      | ) |          |
| Respondents.                         | ) |          |
| _____                                | ) |          |

CONCILIATION AGREEMENT

On or around September 2001, Robert Y. Watada, Executive Director for the Campaign Spending Commission ("Commission"), initiated an investigation of Paren, Inc. (aka Park Engineering), Larry Matsuo, Melvin Suzuki; Joy Sakamoto; George Sumida and Keith Uemura, hereinafter the Respondents. Business Registration Division records list Paren's business purpose as general engineering, whose business address is 567 S King Street, Suite 300 Street, Honolulu Hawaii. At the time of the alleged violations, business registration records listed Larry Matsuo as CEO, Melvin Suzuki, President, Joy Sakamoto, Secretary/Treasurer, George Sumida and Keith Uemura as Vice-Presidents. Larry Matsuo has since retired from Paren. The investigation was initiated pursuant to the express authority of section 11-193, Hawaii Revised Statutes ("HRS"), for a determination of whether the campaign spending law had been violated and a complaint would be submitted to the Commission.

NOW, THEREFORE, Respondents and the Commission, having entered into conciliation and pursuant to section 11-216(g), HRS, do hereby agree as follows:

- I. That the Commission has jurisdiction over Respondents and the subject matter of this administrative action.

- II. That this Conciliation Agreement ("Agreement") and upon complete performance of the conditions stated herein has the effect of remedial or corrective action taken by Respondents pursuant to section 11-216(g), HRS.
- III. That Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- IV. That Respondents waive the right to be heard at a public hearing conducted under chapter 91, HRS, pursuant to section 11-228(b), HRS.
- V. That Respondents enter into this Agreement with the Commission on their own volition and with full knowledge and understanding.
- VI. That parties agree to the pertinent facts as follows:
- A. On or around September 2001, Robert Y. Watada, in his capacity as Executive Director of the Campaign Spending Commission, and upon information received through the disclosure statements of candidate campaign committees including:
1. Arnold Morgado ("Morgado")
  2. Ben Cayetano ("Cayetano")
  3. Frank Fasi ("Fasi")
  4. Jeremy Harris ("Harris")
  5. KimoApana ("Apana")
  6. Mazie Hirono ("Hirono") and
  7. Mufi Hannemann ("Hannemann")
- initiated an investigation involving excess contributions in violation of particular campaign finance statutes.
- B. Section 11-204(a)(1)(B), HRS, reads in part as follows: No person, other than a candidate for the candidate's own campaign, or

any other entity shall make contributions to:...A candidate seeking nomination or election to a four-year statewide office or to the candidate's committee in an aggregate amount greater than \$6,000 during an election period.

C. Section 11-204(a)(1)(C), HRS, reads in part as follows: No person, other than a candidate for the candidate's own campaign, or any other entity shall make contributions to:...A candidate seeking nomination or election to a four-year nonstatewide office or to the candidate's committee in an aggregate amount greater than \$4,000 during an election period.

D. Section 11-202, HRS reads in part as follows: No person shall make a contribution of the person's own money or property, or money or property of another person to any candidate, party, or committee in connection with a nomination for election, or election, in any name other than the true name of the person who owns the money or who supplied the money or property.

E. The Commission finds that contributions made to candidates by Larry Matsuo, Respondents, family members, employees and friends include:

1. Dave Abe, husband of Dee Anne Abe
2. Dee Anne Abe, daughter of Melvin Suzuki
3. Ernest Abe, brother-in-law of Melvin Suzuki
4. Joyce Abe, wife of Ernest Abe
5. Joyce Ching, wife of Raymond Ching
6. Raymond Ching, employee
7. Debra Lynne Hayashi, daughter of George Sumida

8. Russell S. Hayashi, son-in-law of George Sumida
9. Joni M. Hayashida, sister of Joy Sakamoto
10. Dorothy Kawasaki, mother of Joy Sakamoto
11. Galen Kawasaki, brother of Joy Sakamoto
12. Gilbert K. Kuroda, husband of Marian Kuroda
13. Marian Kuroda, sister-in-law of Melvin Suzuki
14. Darryl A. Lee, employee
15. Lance Masatsugu, former employee
16. Lynne Masatsugu, wife of Lance Masatsugu
17. Bruce Matsumoto, former employee
18. Ruby Matsumoto, wife of Bruce Matsumoto,
19. Gayle Matsuo, employee
20. Jane Matsuo, wife of Larry Matsuo
21. Mark Matsuo, son of Larry Matsuo
22. Lyle Matsuo, son of Larry Matsuo
23. Anson Migita, employee
24. Jerry S. Nishimoto, employee
25. Cory Okuda, employee
26. Kevin A. Rapozo, employee
27. Joy N. Sakamoto, employee
28. Jeffrey T. Sato, employee
29. Ruth S. Shibata, friend of Melvin Suzuki
30. Terilyn Shibata, employee
31. Harold S. Shimabukuro, friend of Roy Yama
32. June Y. Shimabukuro, friend of Roy Yama
33. Wallace Shimabukuro, brother-in-law of Roy Yama
34. Esther Shishido, sister-in-law of Melvin Suzuki
35. Harold Shishido, husband of Esther Shishido
36. Ann T. Sumida, wife of George Sumida
37. Melanie Sumida, daughter-in-law of George Sumida
38. Russ Y. Sumida, son of George Sumida
39. Katherine Suzuka, wife of Reginald Suzuka
40. Reginald Suzuka, former employee
41. Frances Suzuki, wife of Melvin Suzuki
42. Clarence Tanonaka, former employee
43. Keith Uemura, employee
44. Roy T. Yama, former employee
45. Sally Yama, wife of Roy Yama
46. Melinda Crowell, employee

47. Aaron Shimabukuro, former employee

F. The Commission finds that Larry Matsuo and other officers and employees of Paren and their family members and friends made contributions to Morgado in the amount of \$40,500, including contributions by:

|                     |         |         |
|---------------------|---------|---------|
| Harold Shimabukuro  | 4/25/96 | \$1,000 |
| June Y. Shimabukuro | 4/25/96 | \$1,000 |
| Gilbert Kuroda      | 4/25/96 | \$1,000 |
| Ann T. Sumida       | 4/18/96 | \$1,000 |
| George A. Sumida    | 4/18/96 | \$1,000 |
| Debra Lynne Hayashi | 5/09/96 | \$1,000 |
| Russell Hayashi     | 5/09/96 | \$1,000 |
| Wallace Shimabukuro | 5/09/96 | \$2,000 |
| Dave Abe            | 7/07/96 | \$ 500  |
| Dave Abe            | 7/07/96 | \$ 500  |
| Ernest Abe          | 7/07/96 | \$ 500  |
| Joyce Abe           | 7/07/96 | \$ 500  |
| Debra Lynne Hayashi | 7/07/96 | \$ 500  |
| Russell Hayashi     | 7/07/96 | \$ 500  |
| Darryl Lee          | 7/07/96 | \$2,000 |
| Lance Masatsugu     | 7/07/96 | \$1,500 |
| Lance Masatsugu     | 7/07/96 | \$1,500 |
| Lance Masatsugu     | 7/07/96 | \$ 250  |
| Lance Masatsugu     | 7/07/96 | \$ 500  |
| Lynne Masatsugu     | 7/07/96 | \$ 500  |
| Lynne Masatsugu     | 7/07/96 | \$ 250  |
| Lynne Masatsugu     | 7/07/96 | \$1,500 |
| Lynne Masatsugu     | 7/07/96 | \$1,500 |
| Bruce Matsumoto     | 7/07/96 | \$ 500  |
| Bruce Matsumoto     | 7/07/96 | \$ 500  |
| Ruby Matsumoto      | 7/07/96 | \$ 500  |
| Ruby Matsumoto      | 7/07/96 | \$ 500  |
| Lyle Matsuo         | 7/07/96 | \$2,000 |
| Mark Matsuo         | 7/07/96 | \$2,000 |
| Cory O. Okuda       | 7/07/96 | \$2,000 |

|                  |         |         |
|------------------|---------|---------|
| Esther Shishido  | 7/07/96 | \$ 500  |
| Harold Shishido  | 7/07/96 | \$ 500  |
| Ann Sumida       | 7/07/96 | \$ 500  |
| Ann Sumida       | 7/07/96 | \$ 500  |
| George Sumida    | 7/07/96 | \$ 500  |
| George Sumida    | 7/07/96 | \$ 500  |
| Katherine Suzuka | 7/07/96 | \$2,000 |
| Reginald Suzuka  | 7/07/96 | \$2,000 |
| Frances Suzuki   | 7/07/96 | \$ 500  |
| Frances Suzuki   | 7/07/96 | \$ 500  |
| Frances Suzuki   | 7/07/96 | \$ 500  |
| Melvin Suzuki    | 7/07/96 | \$ 500  |
| Melvin Suzuki    | 7/07/96 | \$ 500  |
| Melvin Suzuki    | 7/07/96 | \$ 500  |
| Roy Yama         | 7/07/96 | \$ 500  |
| Sally Yama       | 7/07/96 | \$ 250  |
| Sally Yama       | 7/07/96 | \$ 250  |

- G. The Commission finds that Larry Matsuo and other officers and employees of Paren and their family members and friends made contributions to Cayetano in the amount of \$51,000, including contributions by:

|                     |         |         |
|---------------------|---------|---------|
| Joyce Ching         | 2/16/96 | \$1,000 |
| Raymond Ching       | 2/16/96 | \$1,000 |
| Gilbert Kuroda      | 2/16/96 | \$1,000 |
| Marian Kuroda       | 2/16/96 | \$1,000 |
| Harold Shimabukuro  | 2/16/96 | \$1,000 |
| Jane Shimabukuro    | 2/16/96 | \$1,000 |
| Wallace Shimabukuro | 2/16/96 | \$2,000 |
| Esther Shishido     | 2/16/96 | \$ 500  |
| Harold Shishido     | 2/16/96 | \$ 500  |
| Ernest Abe          | 5/23/97 | \$1,000 |
| Melinda Crowell     | 5/23/97 | \$1,000 |
| Debra Lynne Hayashi | 5/23/97 | \$1,000 |
| Russell Hayashi     | 5/23/97 | \$1,000 |
| Gayle Matsuo        | 5/23/97 | \$1,000 |
| Cory Okuda          | 5/23/97 | \$1,000 |
| Terilyn Shibata     | 5/23/97 | \$1,000 |

|                     |         |         |
|---------------------|---------|---------|
| Aaron Shimabukuro   | 5/23/97 | \$1,000 |
| Harold Shimabukuro  | 5/23/97 | \$1,000 |
| June Shimabukuro    | 5/23/97 | \$1,000 |
| Wallace Shimabukuro | 5/23/97 | \$2,000 |
| Ann Sumida          | 5/23/97 | \$1,000 |
| George Sumida       | 5/23/97 | \$2,000 |
| Frances Suzuki      | 5/23/97 | \$1,000 |
| Melvin Suzuki       | 5/23/97 | \$1,000 |
| Roy Yama            | 5/23/97 | \$1,000 |

|                     |          |         |
|---------------------|----------|---------|
| Gayle Matsuo        | 12/31/97 | \$1,000 |
| Wallace Shimabukuro | 12/31/97 | \$2,000 |
| George Sumida       | 12/31/97 | \$2,000 |
| Ann Sumida          | 12/31/97 | \$1,000 |
| Roy Yama            | 12/31/97 | \$1,000 |

|                 |          |         |
|-----------------|----------|---------|
| Melvin Suzuki   | 12/31/97 | \$1,000 |
| Frances Suzuki  | 12/31/97 | \$1,000 |
| Larry Matsuo    | 7/20/98  | \$ 500  |
| Ernest Abe      | 8/31/98  | \$1,000 |
| Russell Hayashi | 8/31/98  | \$1,000 |

|                     |          |         |
|---------------------|----------|---------|
| Debra Lynne Hayashi | 8/31/98  | \$1,000 |
| George Sumida       | 8/10/98  | \$2,000 |
| Ann Sumida          | 8/10/98  | \$1,000 |
| Roy Yama            | 8/11/98  | \$ 500  |
| Joy Sakamoto        | 10/13/98 | \$5,000 |
| Harold Shimabukuro  | 9/14/98  | \$2,000 |
| GayleMatsuo         | 10/13/98 | \$1,000 |

- H. The Commission finds that an employee of Paren and friend made contributions to Fasi in the amount of \$1,800, including contributions by:

|               |         |        |
|---------------|---------|--------|
| Cory O. Okuda | 9/15/98 | \$ 900 |
| Sally Yama    | 9/15/98 | \$ 900 |

- I. The Commission finds that Larry Matsuo and other officers and employees of Paren and their friends made contributions to Harris in the amount of \$102,250, including contributions by:

|                     |          |         |
|---------------------|----------|---------|
| Dee Anne Abe        | 10/23/96 | \$1,000 |
| Russell Hayashi     | 10/23/96 | \$1,500 |
| Gayle Matsumoto     | 10/23/96 | \$1,000 |
| Ruth Shibata        | 10/23/96 | \$1,000 |
| Wallace Shimabukuro | 10/23/96 | \$1,000 |
| June Shimabukuro    | 10/23/96 | \$2,000 |
| Russ Sumida         | 10/23/96 | \$1,500 |
| Keith Uemura        | 10/23/96 | \$1,000 |
| Gayle Matsuo        | 9/25/97  | \$ 500  |
| Ruth Shibata        | 9/25/97  | \$1,000 |
| George Sumida       | 9/25/97  | \$1,000 |
| Roy Yama            | 9/25/97  | \$1,000 |
| Larry Matsuo        | 6/27/99  | \$ 250  |
| Ernest Abe          | 6/28/99  | \$2,000 |
| Debra Lynne Hayashi | 6/28/99  | \$1,500 |
| Russell Hayashi     | 6/28/99  | \$1,500 |
| Galen Kawasaki      | 6/28/99  | \$1,500 |
| Bruce Matsumoto     | 6/28/99  | \$2,000 |
| Cory Okuda          | 6/28/99  | \$2,000 |
| Joy Sakamoto        | 6/28/99  | \$4,000 |
| Ruth Shibata        | 6/28/99  | \$1,000 |
| Wallace Shimabukuro | 6/28/99  | \$2,000 |
| June Shimabukuro    | 6/28/99  | \$2,000 |
| George Sumida       | 6/28/99  | \$3,000 |
| Melvin Suzuki       | 6/28/99  | \$2,500 |
| Roy Yama            | 6/28/99  | \$2,000 |
| Sally Yama          | 6/28/99  | \$2,000 |
| Ann Sumida          | 6/30/99  | \$4,000 |
| Ernest Abe          | 12/23/99 | \$1,000 |
| Debra Lynne Hayashi | 12/23/99 | \$1,000 |
| Debra Lynne Hayashi | 12/23/99 | \$1,000 |
| Russell Hayashi     | 12/23/99 | \$1,000 |
| Gayle Matsuo        | 12/23/99 | \$1,000 |
| Wallace Shimabukuro | 12/23/99 | \$2,000 |
| June Shimabukuro    | 12/23/99 | \$2,000 |
| Melanie Sumida      | 12/23/99 | \$1,000 |
| Russell Sumida      | 12/23/99 | \$1,000 |
| Melvin Suzuki       | 12/23/99 | \$1,000 |
| Roy Yama            | 12/23/99 | \$1,000 |
| Ruth Shibata        | 12/27/99 | \$1,000 |



|                   |          |         |
|-------------------|----------|---------|
| Raymond Ching     | 9/22/00  | \$1,000 |
| Bruce Matsumoto   | 9/22/00  | \$1,000 |
| Ruby Matsumoto    | 9/22/00  | \$1,000 |
| Gale Matsuo       | 9/22/00  | \$3,000 |
| Jane Matsuo       | 9/22/00  | \$2,000 |
| Anson Migita      | 9/22/00  | \$1,000 |
| Jerry Nishimoto   | 9/22/00  | \$1,000 |
| Cory Okuda        | 9/22/00  | \$ 500  |
| Kevin Rapozo      | 9/22/00  | \$1,000 |
| Jeffrey Sato      | 9/22/00  | \$1,000 |
| Ruth Shibata      | 9/22/00  | \$ 500  |
| Melanie Sumida    | 9/22/00  | \$1,000 |
| Russ Sumida       | 9/22/00  | \$1,000 |
| Keith Uemura      | 9/22/00  | \$ 500  |
| Sally Yama        | 9/22/00  | \$1,000 |
| Larry Matsuo      | 12/13/01 | \$4,000 |
| Gayle Matsuo      | 12/13/01 | \$1,000 |
| Jerry Nishimoto   | 12/19/01 | \$2,000 |
| Galen Kawasaki    | 12/21/01 | \$2,000 |
| Larry Matsuo      | 12/21/01 | \$2,000 |
| Joy Sakamoto      | 12/21/01 | \$2,000 |
| Ann Sumida        | 12/21/01 | \$2,000 |
| George Sumida     | 12/21/01 | \$2,000 |
| Melvin Suzuki     | 12/21/01 | \$2,000 |
| Clarence Tanonaka | 12/21/01 | \$2,000 |
| Keith Uemura      | 12/21/01 | \$2,000 |
| Keith Uemura      | 12/21/01 | \$2,000 |

J. The Commission finds that Respondents and other employees of Paren and their family members made contributions to Apana in the amount of \$16,000, including contributions by:

|                |         |         |
|----------------|---------|---------|
| Joni Hayashida | 6/29/01 | \$1,000 |
| Gayle Matsuo   | 6/27/01 | \$1,000 |
| Ann Sumida     | 6/28/01 | \$1,000 |
| George Sumida  | 6/28/01 | \$4,000 |
| Keith Uemura   | 6/26/01 | \$1,000 |
| Joy Sakamoto   | 7/02/01 | \$4,000 |

|               |         |         |
|---------------|---------|---------|
| Melvin Suzuki | 7/02/01 | \$4,000 |
|---------------|---------|---------|

- K. The Commission finds that Paren PAC or officers made contributions to Hirono in the amount of \$5,500 including contributions by:

|              |         |         |
|--------------|---------|---------|
| Paren PAC    | 9/22/97 | \$1,000 |
| Larry Matsuo | 7/07/98 | \$ 500  |
| Larry Matsuo | 4/23/02 | \$2,000 |
| Joy Sakamoto | 4/18/02 | \$2,000 |

- L. The Commission finds that Paren PAC, Respondents, and other employees and friends made contributions to Hannemann in the amount of \$13,100, including contributions by:

|                  |          |         |
|------------------|----------|---------|
| Gayle Matsuo     | 12/31/97 | \$ 500  |
| Dorothy Kawasaki | 9/01/00  | \$1,000 |
| Gayle Matsuo     | 9/14/00  | \$1,000 |
| George Sumida    | 9/01/00  | \$1,000 |
| George Sumida    | 9/14/00  | \$1,000 |
| Melvin Suzuki    | 4/30/00  | \$ 200  |
| Melvin Suzuki    | 9/01/00  | \$1,000 |
| Melvin Suzuki    | 9/14/00  | \$1,000 |
| Roy Yama         | 9/01/00  | \$1,000 |
| Roy Yama         | 9/14/00  | \$1,000 |
| Joy Sakamoto     | 12/31/01 | \$1,000 |
| George Sumida    | 12/31/01 | \$1,000 |
| Melvin Suzuki    | 12/31/01 | \$1,000 |
| Keith Uemura     | 12/31/01 | \$1,000 |
| Paren PAC        | 6/28/01  | \$ 200  |
| Paren PAC        | 11/19/01 | \$ 200  |

## VII. Settlement Terms

As final settlement of the matter and issues in Conciliation Agreement

#05-01 Respondents understands and agrees to the following:

- (A) Respondents agrees to an assessment of **Two Hundred Twenty-eight Thousand Seven Hundred Fifty Dollars (\$228,750)** pursuant to section 11-228, HRS.
- (1) For violation of section 11-202, HRS, making false name campaign contributions to the campaign committees of Arnold Morgado, Ben Cayetano, Frank Fasi, Jeremy Harris, Kimo Apana, Mazie Hirono and Mufi Hannemann;
- (2) For violation of section 11-204, HRS, making excess campaign contributions to the campaign committees of Arnold Morgado, Ben Cayetano, Jeremy Harris, Kimo Apana, Mazie Hirono and Mufi Hannemann;
- (B) Respondents agrees to comply with campaign finance statutes on contribution and expenditures to candidate committees.
- (C) Terms of payment of the assessment shall be by Order of the Commission.
- (D) This Agreement is not to be construed as an admission of any misconduct, liability or fault of any kind whatsoever by Respondents, but compromises and settles a dispute for the purpose of avoiding further controversy, litigation, and exposure.

- VIII. The Commission upon its own motion or a written request of anyone filing a complaint under section 11-216, HRS, may review compliance with the Agreement. If the Commission believes that the Agreement has been violated, it may institute administrative proceedings or a civil action in the Circuit Court of the First Circuit pursuant to section 11-228(c), HRS.
- IX. This Agreement shall become effective as of the date that all parties have signed and the Commission has approved the entire Agreement.
- X. This Agreement constitutes the entire agreement between the Commission and Respondents on the matters raised herein, and no other statement, promise, or agreement, either in writing or oral, not contained in this Agreement made by either party or by agents of either party shall be enforceable.
- XI. This Agreement, unless violated, shall be a complete bar to any further action by the Commission with respect to the violations at issue in this matter.

Conciliation Agreement 05-01  
Paren, Inc.

**FOR THE COMMISSION:**

By: \_\_\_\_\_  
Robert Y. Watada  
Its Executive Director

Dated: \_\_\_\_\_

**FOR THE RESPONDENT(S)**

Paren, Inc.

By: \_\_\_\_\_  
\_\_\_\_\_  
Title

\_\_\_\_\_  
Melvin Suzuki

\_\_\_\_\_  
Joy Sakamoto

\_\_\_\_\_  
George Sumida

\_\_\_\_\_  
Keith Uemura

Dated: \_\_\_\_\_